

Service Date: August 29, 1997

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of MDU RESOURCES GROUP, INC.)	
for Authorization to Issue)	DOCKET NO. D97.8.138
Up To \$40,000,000 of Promissory)	
Notes.)	DEFAULT ORDER NO. 6002

On August 4, 1997, MDU Resources Group, Inc. ("Applicant" or "Company"), filed an application with the Montana Public Commission ("Commission") seeking authority to issue up to \$40,000,000 of short-term debt, at any one time, in the form of promissory notes pursuant to a revolving credit agreement. The application is filed pursuant to Title 69, Chapter 3, Part 5, MCA.

The application was supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual report on file with the Commission.

At a regular open session of the Montana Public Service Commission, held at its offices on August 25, 1997, there came before the Commission for final action the matters in this Docket, and the Commission, having fully considered the application and data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. Applicant is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.

2. Applicant is operating as a public utility as defined in §§ 69-3-101 and 69-3-102, MCA, and as such is engaged in furnishing electric and gas service in Montana.

3. The Commission has jurisdiction over the subject matter of said application under Title 69, Chapter 3, Part 5, MCA.

4. The promissory notes proposed to be issued are not to exceed an aggregate principal amount of \$40,000,000 at any one time. These Notes will be issued pursuant to a revolving credit agreement.

5. The proceeds from the issuance of the Notes will be used to partially finance general corporate needs including, but not limited to, the costs of its utility capital requirements, which may include the repayment of a portion of outstanding short-term borrowings incurred for such purposes.

6. The transactions proposed by Applicant (a) are consistent with the public interest; (b) are for a purpose or purposes permitted under the laws of the State of Montana; (c) are necessary or appropriate for and consistent with the proper performance by Applicant of service as a public utility; and (d) will not result in a situation in which the aggregate amount of the securities outstanding and proposed herein to be outstanding will exceed the fair value of the properties and business of the Applicant.

CONCLUSIONS OF LAW

The securities transactions proposed by Applicant, as herein authorized, will be for a lawful purpose and are consistent with the public interest; the same are appropriate and consistent with the necessary performance of Applicant of service as a public utility; and the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.

ORDER

IT IS HEREBY ORDERED by the Commission:

1. The Application of MDU Resources Group, Inc. for authority to issue up to \$40,000,000 of promissory notes ("Notes"), with the authorized Notes being issued on or after September 15, 1997, and on or before September 15, 2002, pursuant to a revolving credit agreement. The Notes will be dated as of their respective dates of their issue and will be for varying terms, provided that, the Notes will mature not more than one year after the respective

dates of their issuance, with a final maturity date no later than September 15, 2003, is hereby approved and authority is granted.

2. Neither the issuance of promissory notes by Applicant pursuant to the provision of this Order nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any securities authorized, issued, assumed or guaranteed hereunder.

3. The approval of this application shall not be construed as precedent to prejudice any future action of this Commission.

4. Issuance of this Order does not constitute acceptance of the Applicant's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

DONE IN OPEN SESSION at Helena, Montana this 25th day of August 1997, by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

BOB ROWE, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.